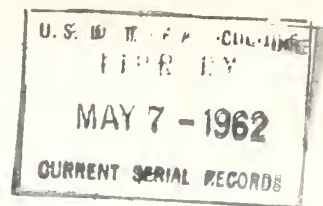


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

A 286.9
F 76 Prof
Exp. 21



Prospects for Foreign Trade in

**WHEAT, RICE, FEED GRAINS,
DRY PEAS, DRY BEANS,
SEEDS, HOPS.**

Foreign Agricultural Service
UNITED STATES DEPARTMENT OF AGRICULTURE
April 1962

Contents

	Page
Grain and grain products	1
Highlights of world grain trade	1
World production trends	1
Foreign government control of trade	2
Wheat	6
World production 1961-62	6
World export prospects 1961-62	7
World exports 1960-61	8
U.S. exports 1960-61	8
Developing foreign markets	8
Rice	11
World production 1961-62	11
World exports 1961	12
U.S. exports 1960-61	13
U.S. export prospects 1961-62	13
Developing foreign markets	14
Feed Grains	14
World production 1961-62	14
World and U.S. export prospects 1961-62	16
World and U.S. exports 1960-61	17
Developing foreign markets	19
Dry edible beans and peas	20
Beans	20
World production 1961-62	20
World and U.S. export prospects 1961-62	21
Peas	21
World production 1961-62	21
World and U.S. export prospects 1961-62	22
Developing foreign markets	22
Grass and legume seeds	23
World production 1961-62	23
U.S. export prospects 1961-62	23
Developing foreign markets	24
Hops	25
World production 1961-62	25
U.S. export prospects 1961-62	27

PROSPECTS FOR FOREIGN TRADE IN WHEAT, RICE, FEED GRAINS, DRY PEAS, DRY BEANS, SEEDS, HOPS

GRAIN AND GRAIN PRODUCTS

Highlights of World Grain Trade

Because of smaller crops in Western Europe, Africa, and Asia, world wheat exports this year are expected to exceed the 1,518-million-bushel record of 1960-61, with U.S. exports reaching 675 million bushels as compared with the 662-million-bushel record of the year before.

A limited supply of durum wheat in the world market has forced up prices for this commodity. This is also true for strong-protein hard wheats, though to a less extent.

An important factor in the 1960-61 world wheat trade was the export of 72 million bushels of wheat to Communist China by Canada and Australia. A continuation of these exports is expected to affect substantially the current season's trade.

In rice, Communist China's sharp decline in exports in 1960-61 is expected to be more drastic in 1961-62.

U.S. corn exports increased 20 percent, to 7.0 million metric tons, in 1960-61. In the same year, exports of oats, barley, and grain sorghums decreased 34, 27, and 13 percent, respectively. Exports of these grains (in thousand metric tons) were as follows: oats 425; barley 1,865; and grain sorghums 2,194. A rather similar feed grain export pattern is expected to continue through the 1961-62 season.

Government programs for moving U.S. grain surpluses into export continue to be of major importance in world grain trade.

World Production Trends

Preliminary estimates place the 1961-62 world food and feed grain production at 695 million metric tons. This total represents a decline of 5 percent from the 1960-61 crop. It is, however, 16 percent higher than the 1950-54 average.

The world total for food grains (wheat, rice, and rye) - 392 million tons - is 4 percent lower than in the previous year, although 15 percent above the 1950-54 average. While wheat production, which totaled 211 million tons, was down 5 percent from 1960-61, it was still 11 percent over the 1950-54 average. Rice production, at 147 million tons, was down 2 percent from the previous year, but was 28 percent above the average. Rye production remained at 34 million metric tons, 8 percent below the average. Because of inadequate information on the rice crop in Communist-dominated countries, production in these areas is not included in the current totals.

The declines in food grain production are due largely to the effect of dry weather on the 1961 Canadian and U.S. wheat crops and to unfavorable weather during the rice harvesting season, particularly in Asian countries.

World feed grain production (excluding grain sorghums, for which world production data are not available) in 1961-62 - 303 million tons - was 7 percent under 1960-61 but was

19 percent above the 1950-54 average. The corn crop, totaling 179 million tons, was down 7 percent from 1960-61 but was 32 percent above the 5-year average. Barley, at 73 million tons, declined 6 percent but was 24 percent over the average, and oats production, at 51 million tons, was 10 percent under the previous year and 15 percent less than the 1950-54 average.

Sharp reductions in corn production occurred in the United States, the Danube Basin, and Africa. The decline in barley production was registered principally in the United States, Canada, and Africa, and that of oats in the United States, Canada, Western Europe, and the Soviet Union.

Foreign Government Control of Trade

Nearly every country which is of any importance as a grain country has some kind of a government grain program. No two of them are alike; in fact, they differ considerably in their combinations of regulations, controls, tariff and nontariff import restrictions, subsidies, trade agreements, state trading, and so forth, as the following information on some of the most important foreign grain countries shows.

Among the grain exporting countries, Canada has a complete state trading program for wheat, barley, and oats, and Australia has one for wheat only. In these countries, farmers are required to sell these grains to government wheat boards, which resell them in the domestic and foreign markets. Producer price supports are in the form of government fixed minimum prices, which in Canada are based on the general production and marketing situation and in Australia, on the current national average cost of wheat production.

Neither country limits grain production, but Canada's control of internal marketing includes periodically assigned farmer delivery quotas for wheat, oats, and barley, which are geared to the country's available grain storage capacity. These two countries also do not subsidize exports of these grains, but Canada subsidizes flour exports to certain countries. The two countries differ considerably in regard to the laws which provide for the financing of deficits, if any, in the wheat boards' operations. Their imports of grains are limited to very small quantities by licensing.

Argentina, another important grain exporter, has price supports and internal marketing practices somewhat similar to those of certain importing countries. The government annually fixes prices at which it will purchase wheat, corn, oats, barley, rye, and grain sorghums that are offered to it by farmers. However, farmers have the option of selling these grains to private buyers at whatever prices they are willing to accept. The government fixes its purchase prices for these grains in relation to world grain prices, and to farm incomes — the latter, in order to stimulate production. It resells at regular market prices both for export and domestic consumption any grains it thus purchases. It does not subsidize grain exports. Argentine grain and flour imports, though free of licensing and other direct controls, are subject to a government surcharge of 200 percent of the cost plus invoiced freight.

Unlike these other big exporters, France subsidizes grain exports. Its grain exporting is closely controlled by the National Cereals Office, but is carried out by private traders. The National Cereals Office decides when, for example, wheat is to be exported and how much. It asks the traders to submit bids, which specify the unit subsidies at which they are willing to export. The traders who bid the lowest unit subsidies receive the export permits. They buy the wheat from other private traders or from cooperatives who had bought it from farmers at government-fixed support prices minus certain government-fixed deductions including an export subsidy tax. The exporters pay the cost of transporting the wheat to the port or other point of export and all storage and other costs incurred there. Their total

unit cost for the wheat is considerably in excess of the price at which they can sell it to foreign importers, and the gap is bridged by the export subsidy. This subsidy is financed in part with the proceeds of the export subsidy tax and in part by the Federal Government's Treasury. The above applies only to soft wheat, as no durum is exported. In regard to grain imports, France is a state trading nation.

Denmark and West Germany are two importing countries which have somewhat the same price support and internal marketing system for grains as Argentina. However, the former applies it only to wheat and rye and the latter to wheat, rye, barley, and oats. Another difference in the case of West Germany is that for both wheat and rye the government annually fixes a guaranteed minimum and a maximum producer price for each of four producing areas for each month of the marketing year. The prices for each area gradually increase throughout the year. If the regular commercial producer price of wheat, for example, in any of these areas during any month falls below the corresponding guaranteed minimum, the government stands ready to buy wheat from the farmers at this minimum. If, however, the commercial producer price in any area should in any month rise above the corresponding maximum, the government will sell wheat from its stocks at this maximum.

The West German Government also fixes annual minimum and maximum producer prices for three grades of barley for each of five periods into which the marketing year has been divided. It fixes similar prices for two other grades of barley and two grades of oats, but these prices apply to the entire year. In order to resell domestically part of its stocks of barley and feed wheat, the West German Government requires German grain traders to buy specified quantities of them before they can get licenses for feed grain imports.

During the present and the past marketing years, Danish flour millers were unable to absorb all of the government's purchases of wheat and rye from the farmers and the government had to sell large unexportable quantities back to the farmers at feed grain prices.

These two countries also exercise considerable control over imports. West Germany fixes annual global and country import quotas for all bread and feed grains and for wheat flour, and Denmark fixes annual global import quotas for wheat flour for human consumption. Both countries make imports of these commodities subject to licensing, and both require their flour millers to use specified proportions of domestic wheat and rye in their grist. Each country also levies on importers fees or charges roughly equal to the differences between the c.i.f. costs of certain imported grains and the respective higher prices fixed by the government as a basis for the domestic resale of the grains. In the case of Denmark these grains are oats, grain sorghums, barley, corn, and feed wheat and feed rye, and in the case of West Germany they are wheat, rye, oats, barley, corn, and grain sorghums. No fees are levied if no such differences exist.

Beginning on September 13, 1961, Denmark completely embargoed imports of all feed grains. The purpose was to increase utilization of domestic feed grains and bring their prices back up to the respective minima fixed for imported feed grains. By November 17 this objective had been achieved, and the government lifted the embargo.

In addition to importing grains, Germany exports wheat flour. It subsidizes these exports by permitting its traders to import wheat free of the equalization fee in a fixed proportion, by weight, to wheat flour they have exported.

Japan is another grain importing country which has a price support and internal marketing procedure similar to that of Argentina, but only for wheat and barley. Insofar as importation of grains is concerned, Japan is, at least in principle, a state trading nation. It fixes semiannual global and country grain import quotas, and in the course of the marketing year the government's Food Agency decides when grain or flour is to be imported, the quan-

tity and grade, and so forth, and the exporting country or countries. Available foreign exchange is a factor in these decisions. The actual grain and flour importing is done by licensed private traders who are awarded import licenses by the government on a bid basis. However, they sell these imported products at the bid prices to the Food Agency, which resells them in Japan. The government does not otherwise control the proportions of domestic and foreign wheat which Japanese flour millers use in their grist.

In Brazil, another important wheat importer, farmers will this year sell some wheat to local flour mills and some to the government at minimum prices fixed by the government for specified grades. The government itself imports the country's requirements of foreign wheat and flour. It fixes annual total wheat utilization quotas for the mills, each quota including a minimum amount of domestic and a supplementary amount of imported wheat. In any year a mill may buy and use more than its quota of domestic wheat, in which case its quota of imported wheat is reduced proportionately. The government sells imported wheat to the mills at approximately the minimum prices at which they are required to buy domestic wheat. It also fixes annual producer support prices for corn but, beyond this, its program for this grain is very limited.

Italy, which now is an exporter of soft wheat but an importer of durum, is in regard to both domestic production and imports of grains on a partial state trading basis. It annually fixes producer prices for soft wheat and for durum for each of four producing areas, and, during the 1961-62 season, farmers are required to sell at these prices to a government wheat pool a total of 640,000 metric tons of soft wheat and 160,000 tons of durum, out of a total domestic production of 8,200,000 tons. Farmers may sell more wheat to the pool at these prices, or they may sell these additional quantities to private buyers at whatever prices they are willing to accept. Government purchases tend to hold the regular market prices close to the pool levels. The government fixes no support prices for, and does not buy any, domestic feed grains.

Italy is a state trader in regard to wheat and wheat flour imports, but feed grains are imported by private traders. In Italy's grain import control program, oats are fully unrestricted. Corn and barley from nondollar countries are unrestricted at all times but dollar-country corn and barley are severely restricted by licensing from July 1 to December 31 and from May 1 to October 31 of each year, respectively. U.S. feed rye is unrestricted at all times but U.S. rye for human consumption is limited by licensing. Grain sorghums from all exporting countries are limited to 100 metric tons per purchase. Since Italy's wheat imports are under state trading and therefore under direct government control, the government does not otherwise control the proportions of domestic and imported wheat used by the flour millers in their grist.

Belgium each year fixes a series of gradually increasing "target" producer prices for wheat, and the Netherlands annually fixes "target" producer prices for wheat, rye, barley, and oats. The governments of these countries normally buy no grains from farmers, and private buyers, in purchasing grains from farmers, are not required to pay these fixed prices. They pay the regular domestic market prices. However, in both countries the regular market producer wheat prices are kept fairly close to the target levels chiefly by "mixing regulations" (requiring the flour millers to use specified proportions of domestic wheat in their grist).

The Netherlands holds these prices of rye, barley, and oats reasonably close to support levels by levying variable price equalization fees on imports of these grains. The government fixes minimum prices on the basis of which traders have to sell imported rye, barley, and oats in the Netherlands. These minima are slightly below the respective support levels. Dutch importers pay to the government unit fees roughly equal to the difference between these minima and the respective lower c.i.f. prices. The government fixes such

minimum prices for corn, grain sorghums, and feed wheat in relation to those for the other grains, and also levies variable prices equalization fees on imports of these grains.

Belgium and the Netherlands are net grain importers. Belgium has since August 1957 been levying license taxes on imports of all feed grains, including feed wheat, and products thereof, for the dual purpose of (1) maintaining the regular producer market prices of domestic feed grains at a fixed relation to the wheat target producer price and thereby encouraging increased feed grain and reduced wheat production, and (2) restricting imports of the taxed commodities. Since 1957, the government has increased these taxes six times, but during 1961 it made significant reductions in most of them. Belgium controls wheat imports through its "mixing regulations" and by licensing.

The Netherlands restricts wheat and wheat flour imports by use of "mixing regulations", by levying so-called monopoly fees on such imports, and by fixing annual flour import quotas. During 1961 the Netherlands increased the flour import monopoly levy first from 1.10 to 5.00 guilders per 100 kilograms and then to 6.50. Since January 1, it has reduced it back to 5.0 guilders. The government claims that its licensing and variable price equalization fees do not restrict feed grain imports.

The United Kingdom, the world's largest wheat importer, is unique in having a deficiency payments grain price support system. For each marketing year, the government fixes "standard" producer prices for wheat, rye, barley, oats, and mixed grains. These, in effect, are guaranteed minimum prices. For wheat, the marketing year is divided into five accounting periods, and a separate standard price is fixed for each period. These five prices gradually increase throughout the year. For each of the other grains, only one standard price is fixed for the entire year. The wheat and rye prices apply only to millable grain. All U. K. farmers sell their grains to private buyers, but only grain growers registered with the government are eligible to receive deficiency payments. The purchasers of grains from farmers report each individual purchase, including the quantity and the "at farm" price paid, to the government after the end of each accounting period or after the end of the marketing year.

At that time the prices paid for each grain are averaged. In the case of wheat or rye, if the average for any period or for the year, as the case may be, falls short of the corresponding standard price, each registered grower will receive from the government a deficiency payment equal to the difference times the quantity of wheat or rye he sold during the period or year. In the case of each of the other grains, the difference, if any, is converted to a per-acre equivalent by multiplying it by the national average yield of the grain during the immediately preceding 5 years. Each registered grower will for each of these grains receive from the government a deficiency payment equal to such per-acre equivalent multiplied by the acreage he had in the grain. In the case of barley the per-acre equivalent is adjusted down a little for the first of four accounting periods for this grain and up a little for the third period and still more for the fourth.

The United Kingdom has no quantitative or licensing restrictions against grain imports (all importing done by private traders), and levies no price equalization fees or license taxes on such imports. However, in the forepart of 1961, owing to a domestic barley surplus created by a record 1960 crop and unusually large imports from France and the USSR, the U. K. Government requested and received from those two countries a promise not to offer additional barley for export to the United Kingdom for a price less than £20 per long ton, duty paid. This was considerably above the current domestic market price for barley. The United Kingdom had another record crop of this grain in 1961.

The United Kingdom has no official "mixing regulations" for wheat or rye. However, U. K. flour millers have for some years agreed to use no less than 1,250,000 long tons of domestic wheat annually. U. K. feed compounders have agreed to use domestic barley to the extent that it is competitive with foreign barley in regard to availability, quality, price, and so forth.

The United Kingdom and nearly all other grain importing countries levy tariff duties on grain imports. In the case of the United Kingdom, imports from the Commonwealth countries are admitted duty free. For most countries, however, tariff duties have during recent years limited grain imports much less than other import restrictions have. Exceptions are certain South American and Central American countries, which rely largely on tariff duties, and have in effect but few import restrictions of other types, for limiting feed grain imports. Most grain trading countries are or have been parties to bilateral trade agreements involving grains. Such agreements, of course, control international grain trade to the extent of the quantities specified by providing the exporting parties with markets from which other exporting countries are excluded.

Wheat

World Production 1961-62

World wheat production in 1961-62 is tentatively estimated at 211 million metric tons (7.8 billion bushels). This is one of the largest wheat crops ever produced though it is smaller than the record harvests of the past 3 years. The alltime record was 8.7 billion bushels in 1958, the first time world production went as high as 8 billion bushels. The current estimate for 1961-62 is 5 percent below last year's total.

Reductions from the 1960-61 level are widespread, with only the Soviet Union and South America expected to have larger crops than a year ago. The most significant reduction is in North America, where Canada's outturn of 262 million bushels was little more than half the below-average 1960 harvest. The U. S. crop of 1,235 million bushels was 9 percent below the near-record production last year.

Table 1. —WHEAT: World production by area, average 1950-54, annual 1959-61

Area	Average 1950-54	1959	1960	1961 preliminary
	Million bushels	Million bushels	Million bushels	Million bushels
North America.	1,654	1,582	1,897	1,549
Western Europe.	1,150	1,420	1,325	1,245
Eastern Europe.	490	645	590	585
USSR (Europe and Asia).	1,240	1,900	1,700	1,900
Asia.	1,765	1,915	1,920	1,830
Africa.	185	195	210	150
South America.	305	290	235	275
Oceania.	186	207	282	220
World total.	6,975	8,155	8,190	7,755

Total production was about 5 percent smaller than last year in both Western Europe and Asia. Also contributing to the smaller world total were reductions from last year's high level in Africa and Australia.

European production of 1,830 million bushels is smaller than last year principally because of reduced acreage in Western Europe. Yields there were comparable to the high level of 1960. Total production in Eastern Europe is estimated to be about the same as a year ago.

This year's outturn in the Soviet Union is larger than in 1960 mainly because of increased acreage. Harvests were reported to be excellent in the traditional wheat areas but poor in the so-called new lands.

The recently completed harvest in the Southern Hemisphere was variable. A better crop is reported for Argentina despite dry conditions over large areas during part of the growing period. In contrast, Australia's crop is well below the alltime record production of a year ago.

World Export Prospects 1961-62

Because of smaller crops in Western Europe, Africa, and Asia, particularly Mainland China, world wheat trade in 1961-62 is expected to exceed the 1960-61 record of 1,500 million bushels.

In line with this expectation, U.S. exports in 1961-62 (July-June) are forecast to reach 675 million bushels compared with 662 million last season.

Supplies in the United States for 1961-62 totaled 2,654 million bushels, about 25 million less than a year ago. The current estimate comprises carryover stocks of 1,411 million bushels on July 1, the new crop of 1,235 million, and estimated imports of 8 million bushels (mostly wheat unfit for human consumption). Allowances of 591 million bushels for domestic use (for food, feed, seed, and industrial use) leaves 2,063 million bushels for export or carryover, a small drop from a year earlier.

The third successive poor winter grain outturn in Mainland China indicates continued heavy wheat imports into that country. During 1960-61, China imported 72 million bushels of wheat from Australia and Canada.

The situation in Western Europe differs between countries. Some importing countries, mainly the United Kingdom, West Germany, Spain, and Portugal, will require larger imports than last year while others will have smaller requirements. Both Spain and Italy, listed as exporters under the International Wheat Agreement, imported substantial quantities in 1960-61. Spain needs to import even more this year, while Italy's requirements will be less than half of last year's imports because of the improved crop outturn. France, the principal exporter of the region, with production down 60 million bushels, will have reduced supplies for export.

Better crops in a number of Near East countries should reduce their requirements. Outturns in Iraq, Iran, Jordan, Syria, and Lebanon were all considerably larger than last year. However, Turkey's harvest was smaller and increased needs there more than offset improvements in the other countries.

Combined export availabilities in the principal exporting countries, though smaller than a year ago, are still more than sufficient to cover the heavy requirements. Principal reductions are in Canada, Australia, and France. U.S. supplies will be slightly below 1960-61.

Canada's supply for 1961-62 is considerably below the level of recent years because of the sharp drop in production this year and the high level of exports in 1960-61. The crop of 262 million bushels plus carryover stocks of 527 million on August 1 gives a total supply of 789 million bushels, compared with 1,028 million for 1960-61. If domestic use continues at about 150 million bushels, 639 million bushels would be available for export or carryover. This is 28 percent less than in 1960-61.

Argentine wheat supplies for the year beginning December 1, 1961, are expected to be slightly larger than the supply of 210 million bushels of 1960-61, due to increased production. With total supplies of about 215 million bushels, some 60 million bushels could be exported without drawing stocks down to a very low level. Exports during 1960-61 are estimated at 40 million bushels.

Australia will have considerably less wheat for export in the marketing year beginning December 1, 1961. Exports will likely be about 150 million bushels from the much-reduced total supply of 230 million bushels. This supply is much below the record of last year; in fact, it is less than exports during 1960-61. Supplies of 337 million bushels during 1960-61 gave unprecedented availabilities. Larger exports to some usual markets together with contracts with Mainland China made possible the export of the full surplus. Total exports for the year were about 235 million bushels, leaving stocks of around 20 million bushels on November 30, 1961, one of the smallest of recent years.

The French wheat crop is considerably smaller than last year and exports are expected to be reduced to about 26 million bushels compared with 57 million in 1960-61. Whereas France usually ships soft wheat to Algeria and receives durum from that area, substantial quantities of durum are being imported for Algeria itself this year, owing to the poor Algerian crops.

Durum wheat supplies, worldwide, are very low this year. Production in North America was down 19 percent, and drought severely reduced the production in the countries of the Mediterranean Basin. The Argentine crop, although above average, only partially offsets reduced production in other areas.

World Exports 1960-61

World wheat and flour trade in 1960-61 reached an alltime record of over 1.5 billion bushels. This is about 14 percent higher than the 1,328 million bushels exported in 1959-60. World trade in wheat has increased each year since 1957-58.

An important factor in the 1960-61 world wheat trade was the export of 72 million bushels of wheat by Canada and Australia to Communist China.

Exports from the United States, Canada, and Australia were much higher in 1960-61 than in the previous year. On the other hand, exports from Argentina, France, and the USSR and from a number of minor sources were smaller.

U.S. Exports 1960-61

Exports of wheat and flour from the United States in 1960-61 amounted to 662 million bushels, grain equivalent — an alltime record. This represents 43.6 percent of the world's total. U.S. exports in 1959-60 amounted to 508 million bushels. The previous record was in 1956-57, when U.S. exports reached 549 million bushels.

India was the most important buyer, taking 124 million bushels; Italy was second with 51 million bushels; Egypt took 43 million bushels; and Brazil and Pakistan each took 39 million bushels. U.S. Government programs for moving surplus grains into export continue to be an important factor in world grain trade.

Developing Foreign Markets

In promoting markets for wheat and its products, the Foreign Agricultural Service, using Title I Public Law 480 foreign currencies, works with three cooperating organiza-



Representative of the work being done to develop markets abroad for U. S. wheat are the projects pictured here. Above, group of U. S. grain merchandisers and U. S. Agricultural Attache Hatch (second from right) in Dublin bakery. These merchants were in Europe studying ways to improve U. S. grain marketing. Left, pilot school lunch project of Western Wheat Associates in East Pakistan.

tions: Western Wheat Associates, USA, Inc.; Great Plains Wheat, Inc.; and the Millers' National Federation.

During the past year, this promotion has particularly stressed purchase and utilization of wheat on a quality basis by our foreign customers.

In Europe generally, assistance to millers and bakers in blending U.S. quality wheats with local varieties has been emphasized. A prime example of this work has been the appearance on the market of a new Belgian loaf of bread containing 55 percent U.S. wheat and 45 percent local wheat.

Great Plains Wheat, Inc., has continued a study on the quality of the principal wheat imports into Europe. It has also sponsored study tours of two teams of U.S. inland grain dealers to the markets of Europe to advise on methods of improving U.S. grain marketing operations.

Great Plains' representatives have recently covered African markets to promote sales and to lay the groundwork for a broad marketing program in this developing area.

Under continuing programs in Latin America, most notable progress has been in the inauguration of itinerant nutrition education programs featuring wheat foods. Programs with two mobile units have been started in Peru, and one with a single unit has been launched in Colombia during the past year. Also in Peru, a pilot school lunch program using Peruvian and U. S. foods has been started; its success suggests the possibility of its duplication in other areas of the country.

Great Plains Wheat last year sponsored studies in the United States by wheat industry teams from Denmark, Norway, Sweden, Finland, Poland, Spain, Guatemala, and Colombia. Also sponsored was a study by a team of wheat public-relations personnel from three Western European countries, to assist them in interpreting U. S. wheat qualities and marketing methods more effectively.

Also, Great Plains exhibited U. S. wheat and wheat products in U. S. trade fairs in West Germany, Poland, Egypt, Ghana, and Peru during the year.

Western Wheat Associates in their promotional campaigns in Japan and the Philippines, has stressed blending of U. S. wheats to meet local bread and pasta needs. This assistance is especially pertinent in the Philippines where, with several new mills, the market is converting from flour to wheat.

In Japan, prepared mixes have been introduced and training has been provided in noodle making. Western Wheat also sponsored a U. S. study tour for a Japanese and a Philippine wheat team to assist them in buying quantities of wheat to meet their particular needs.

In India, a nutrition education program has been introduced in several sections of the country with the use of small mobile demonstration units. Technical assistance has been provided to Indian authorities in their program of improved handling and storage of cereal grains, and a bakers' school in Bombay is being continued.

In Pakistan, a pilot school lunch program has been launched and plans have been laid for a broad utilization program in that country. Western Wheat also exhibited U. S. wheat and its products in a U. S. trade fair in Ceylon.

The Millers' National Federation, in the past year, has distributed internationally a series of brochures illustrating types of plants for manufacture of various types of wheat foods. It has also given broad distribution to films publicizing wheat utilization in several foreign languages. The Federation's work in easing foreign trade restrictions and assisting with flour specification problems has proceeded on a continuing basis.

The FAS is performing a detailed study of the European grain and flour import market with a view to strengthening the U. S. competitive position in this important market. An intimate review of the function of the Canadian wheat marketing operations and Canada's future potential has also been undertaken. Results of these two studies should appear at an early date.

By way of improving the general quality position of U. S. wheat, on August 23, 1961, the Secretary of Agriculture announced that the basis for payment of quality premiums on hard wheat in the 1962 farm loan program would be the wheat sedimentation value instead of the protein content. This action was taken because of the need to: (1) provide a greater incentive for producers to grow a higher quality wheat; and (2) provide for the segregation of wheat during marketing on a basis of quality (bread baking strength) which would better enable exporters to meet quality demands of foreign buyers.

Prior to the August 23 announcement, the sedimentation test had been introduced into the U. S. Grain Inspection Service as a permissive service, available to all applicants on request, effective July 1, 1961.

Implementation of the Secretary's action is expected to improve the competitive position of U. S. wheat in foreign markets. Cash markets in particular are critical of the general level of baking strength of U. S. hard wheat, despite a fairly good level of protein. The program as planned would emphasize protein quality more than before and should make significant amounts of better quality wheat available to foreign buyers.

AMS field offices and many licensed inspection offices at ports and interior markets are now offering to analyze wheat for its sedimentation value as part of the permissive services available with regular inspections for grade.

Rice

World Production 1961-62

The production of rice, exclusive of Communist-dominated areas,^{1/} in 1961-62 is tentatively estimated at 147.3 million metric tons (rough rice). This is about 2 percent below the record crop of last year, 151 million tons, but higher than 1959-60's crop of 143 million tons, and the 5-year average, 1950 to 1955, of 114.8 million.

The reduction in 1961-62 has been due mainly to unfavorable weather conditions during the harvesting season, particularly in Asian countries. Yields were just below the record set last year. This is the first break in a 4-year series of annual increases in total production, but it represents only a seasonal variation due to weather rather than any change in the trend of world production.

The total acreage harvested, excluding Communist areas, declined about 4 million acres from last year. The tentative estimate is now 214 million acres compared to the 5-year average (1950-55) of 192 million. During the current season, late floods and unfavorable weather conditions were prevalent in Asia from India down through Burma, Cambodia, and South Vietnam. The island of Java which produces 60 percent of the total crop in Indonesia also suffered from weather. The damage by countries varied considerably, but generally was relatively unimportant in India and Burma but increased in severity to the southward. Supplies for export from Cambodia will likely be limited and probably nonexistent for South Vietnam. In this area, exports had risen to above 400,000 metric tons in 1960. The loss will, in addition to preventing exports, require South Viet Nam to import rice to carry its population until the next harvest in the fall of 1962.

Production declines will center in Asia where some 89 percent of the world's rice is grown. The reduction will be in the nature of 3 million tons. In Africa, Egyptian plantings for the 1961-62 crop were curtailed because of lowered irrigation water supplies from the Nile. Egypt, whose exports amounted to 300,000 tons last year, has announced that no exports will be permitted in 1962. Probably a substantial amount of rice may have to be imported if consumption levels are to be maintained. In South America, Brazil's plantings will also be down because of drought. Production generally through the rest of the world was about at last year's levels.

The effects of these reductions will be more pronounced for exporting countries than for importers. With South Vietnam and Egypt completely out of the export market and with lower supplies likely from Brazil, Cambodia, and Burma, this may mean from 8 to 10 per-

^{1/} Mainland China, North Vietnam, North Korea, and the USSR.

Table 2.—RICE (rough): World production^{1/} by area, average 1951-55, annual 1959-60 through 1961-62

Area	Average 1951-55	1959-60	1960-61 ^{2/}	1961-62 ^{2/}
	Million pounds	Million pounds	Million pounds	Million pounds
North and Central America and the Caribbean.	6,530.7	7,453.3	7,516.0	7,658.1
South America.	9,899.6	14,393.7	14,296.9	13,235.4
Western Europe.	3,238.8	3,312.8	2,827.6	3,152.9
Eastern Europe.	335.2	375.2	336.8	357.9
Africa.	7,928.0	11,014.5	10,992.0	10,265.3
Asia.	224,735.5	278,860.6	296,577.9	289,775.2
Oceania.	268.0	400.0	368.3	411.0
Total.	252,935.8	315,810.1	332,915.5	324,855.8

1/ Excluding Communist China, North Korea, North Vietnam, and USSR.

2/ Preliminary and subject to revision.

cent less rice in the export market. This reduction will be centered in short and medium grain varieties. Long grain types grown for the export market do not appear to be affected.

World Exports 1961

While data are as yet incomplete, it is likely that total 1961 world trade in rice was about 6-1/2 percent below that of 1960 but still nearly 25 percent over the 1951-55 average. Some exporters had slightly larger stocks available for export because of increased production, but Mainland China, which was a substantial exporter in 1959 and 1960, cut down shipments drastically. Total supplies moving into international trade from Asian sources (centered largely in Mainland China, South Vietnam, and Taiwan), were down from a year earlier. However, supplies from non-Asian sources were maintained at or, in some cases, slightly above 1960 levels.

Table 3.—RICE (milled): World exports by area, average 1951-55, annual 1958-60

Area	Average 1951-55	1958	1959	1960
	Million pounds	Million pounds	Million pounds	Million pounds
North and Central America and the Caribbean.	1,423	1,327	1,584	2,216
United States' share.	(1,389)	(1,306)	(1,554)	(2,198)
South America.	405	339	244	258
Europe (Western and Eastern). . .	755	946	665	597
USSR.	10	229	220	---
Africa.	360	1,013	201	751
Asia.	7,955	10,411	11,625	1/ 8,542
Oceania.	71	95	115	154
World total.	10,979	14,360	14,654	---
Non-Communist countries.	10,428	10,999	10,688	12,518
Communist countries.	551	3,361	3,966	---

1/ Excluding Communist China, North Korea, and North Vietnam.

U.S. Exports 1960-61

Last marketing season's exports rose to almost 21 million cwt. (milled rice equivalent) as compared to about 20.6 million the preceding year. This was second in volume only to the export of 1956. The outstanding feature of this strength in the market was the fact that exports to Cuba came to an almost complete standstill while, in the year before, Cuban shipments were about 3.1 million cwt. The growth in exports, therefore, was much more substantial than the totals for the past 2 years indicate. The comparison of totals shows an increase of some 400,000 cwt. but the actual gain in exports was 400,000 plus the offsetting of 3.1 million for Cuba, or 3.5 million in new and replacement sales.

This market growth took place in Europe, Asia, and Africa. In Europe, sales were sharply up in West Germany, the Netherlands, and the United Kingdom with generally small gain in other destinations' takings. The exception was Belgium-Luxembourg where shipments were about one-third lower than the levels of the past 2 years.

Table 4. —RICE (milled): U.S. exports by area of destination, 1957-58 through 1960-61

Destination	1957-58	1958-59	1959-60	1960-61
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Western Hemisphere.	5,895	4,835	5,029	1,420
Europe	227	2,372	2,267	2,683
Asia.	5,769	4,243	10,050	12,446
Africa	293	1,567	1,526	2,799
Oceania	52	50	64	69
Others ^{1/}	700	673	1,641	1,536
Total	12,936	13,740	20,577	20,953

^{1/} Includes Section 416 foreign donations.

The fluctuations in the movement of rice to Asia largely were occasioned by shifts in Public Law 480 Title I sales. Programs were larger for India and Pakistan. No rice was shipped to Ceylon under P.L. 480 as was the case in 1959-60.

There was a good increase in cash sales to Saudi Arabia and a number of other countries. Sales to Africa increased 80 percent over the previous year and were almost exclusively commercial sales for dollars. The countries showing the greatest increase were Ghana, Liberia, and the Union of South Africa.

U.S. Export Prospects 1961-62

Provided that the export market continues to evidence the same trends as it has in the first 5 months, it is likely that another 21-million-cwt. market is in sight. There is nothing in the world supply-demand picture at present that would indicate otherwise. Supplies of long and medium grain types of rice in the world market are not such as to indicate any great activity in increased competition through price cutting. Supplies of short grain varieties similarly will not be burdensome in the world, but the competition in the West German market is likely to remain strong. This market recently has been the principal overseas outlet for commercial sales of short grains.

The proposed Common Market will not be a material factor until July, so that the 1961-62 rice marketing year will not be impeded if final decisions with respect to rice are unfavorable to U.S. interest. If, however, the decisions to be made between now and July result in any restrictions of access to the market, they could drastically affect commercial sales for dollars in 1962-63.

Cash sales will likely move up rather substantially in volume in 1961-62 with a reduction in amounts moving under government programs. Opportunities for cash sales will continue to exist and in some cases expand in Europe, Africa, the Middle East, and to some limited extent in South America. The extent to which commercial transactions are maintained and/or increased will depend to a large extent on efforts of the rice industry itself to broaden trade.

Developing Foreign Markets

The United States Rice Export Development Association, which represents the entire rice industry in carrying on market development work in cooperation with the Foreign Agricultural Service, has made considerable progress in the past year. (This work is financed by dollar contributions from the Association and by foreign currencies set aside for market development work that accrue through sales of surplus agricultural commodities under Title I of P. L. 480.) The Association now has full-time employees in the United Kingdom, the Netherlands, Belgium, and Sweden and the other Scandinavian countries, who are engaged in promoting the consumption of rice. Also, a full-time employee is now being located in West Germany, while in Switzerland a contract has been entered into with Swiss importing interests to jointly finance and promote the consumption of rice.

An exhibit and demonstration of the use of rice were undertaken during 1961 at the newly established Trade Center of the Department of Commerce in London, a fair at Manchester, and most recently at food exhibitions at Brighton and Wimbledon in the United Kingdom. Other fairs and exhibitions covered were in Copenhagen, Denmark; Paris, France; Hamburg and Stuttgart, West Germany; and in Ghana (Africa). In each of these areas, imports and the use of American rice has shown a good response.

Marketing studies have been undertaken in Peru, Chile, Martinique, and Guadeloupe in the French West Indies.

Feed Grains

World Production 1961-62

World feed grain production (corn, barley, and oats) is estimated at 303 million metric tons — the lowest production since 1957 and 7.3 percent below 1960-61. This figure does not include grain sorghums, as only limited world production information is available.

World corn production of 7,030 million bushels in 1961-62 is 515 million bushels below the 1960-61 crop. The sharp drop is the result of drastic reductions in the size of crops harvested in the United States, the Danube Basin countries, and Africa. Acreage of corn planted in the United States was sharply reduced this year. The yield per acre was at an alltime high but this did not entirely offset the acreage reduction. It is estimated that there was a considerable increase in production in the USSR.

The 1961-62 world oat crop, estimated at 3,545 million bushels, is 410 million bushels below the 1960-61 crop. The decrease from a year ago resulted from marked reduction in outturns particularly in the United States, Canada, and Western Europe.



Samples of U.S. rice are given to visitors at a fair in Ghana. This was one of several fairs at which rice was exhibited last year.

Table 5. —BARLEY: World production by geographical division, average 1950-54, annual 1959-61

Area	Average 1950-54	1959	1960	1961 (preliminary)
	Million bushels	Million bushels	Million bushels	Million bushels
North America.	519	656	647	525
Western Europe	561	905	990	995
Eastern Europe	214	280	305	300
USSR (Europe and Asia).	350	380	525	500
Asia.	810	825	820	820
Africa	150	120	130	75
South America.	65	80	65	75
Oceania	34	39	74	53
World total	2,700	3,285	3,555	3,345

This year's world barley production is estimated at 3,345 million bushels, 210 million bushels below last year's crop. Drought in the western United States and Canada was responsible for the major portion of the reduction, though smaller crops in the Soviet Union, Africa, and Australia also contributed to the decline.

Table 6. —OATS: World production by geographical division, average 1950-54, annual 1959-61

Area	Average 1950-54	1959	1960	1961 (preliminary)
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
North America.	1,707	1,474	1,617	1,353
Western Europe	1,020	840	890	855
Eastern Europe	355	385	400	390
USSR (Europe and Asia)	835	750	750	690
Asia.	110	105	110	100
Africa	21	15	15	15
South America.	67	80	75	65
Oceania	45	61	98	77
World total	4,160	3,710	3,955	3,545

Table 7. —CORN: World production by geographical division, average 1950-54, annual 1959-61

Area	Average 1950-54	1959	1960	1961 (preliminary)
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
North America.	3,011	4,136	4,186	3,874
Western Europe	201	301	341	332
Eastern Europe	387	704	676	473
USSR (Europe and Asia).	190	175	300	400
Asia.	710	875	870	850
Africa	390	475	520	470
South America.	450	590	645	625
Oceania	5	7	7	7
World total	5,345	7,265	7,545	7,030

Grain sorghums production in the United States in 1961-62 is estimated at 483 million bushels, a decrease of 137 million bushels from the 1960-61 yield. Marked acreage reduction under the Feed Grains Program brought about this decrease. Though exact production statistics are not available, considerable quantities of grain sorghums are produced in Argentina and in various parts of Africa, where they are important in the human diet. Some of this production finds its way into the world trade.

World and U.S. Export Prospects 1961-62

World feed grain exports in 1961-62 are expected to be above the 22.5 million metric tons exported in 1960-61, and may reach the record of 23.7 million tons exported in 1959-60. European wheat is higher in quality than last year; consequently, less will be used for live-stock feed.

The United States is expected to supply slightly more than 50 percent of world exports of the feed grains, about the same as last year. Europe will continue to be the major market but Japan and South America are of increasing importance in the market.

The export picture continues bright over the next several years, in light of the continued economic improvement of many underdeveloped countries of Europe, Asia, South America, and Africa. With industrialization in these countries, per capita incomes are rising, bringing about an increased consumer demand for livestock products. The stimulation of livestock industries to supply this demand is moving ahead of the production of feed grains. In highly populated areas, such as Japan, the livestock industry is being built with the realization that continued imports of feed grains will be required.

World and U.S. Exports 1960-61

World feed grain exports during 1960-61 are estimated at 22.5 million metric tons, almost 5 percent below the 23.7 million tons for 1959-60. The decline was due largely to smaller shipments to Western Europe, where large quantities of poor-quality wheat were used as livestock feed. The United States was the major exporter, supplying 51 percent of the total feed grains exported.

Table 8. —FEED GRAINS: World exports by destination, annual 1957-60 fiscal years

Destination	1956-57	1957-58	1958-59		1959-60	
			Total	Share	Total	Share
North America, Central America and Caribbean . . .	1,000 m.t.	1,000 m.t.	1,000 m.t.	Percent	1,000 m.t.	Percent
South America	1,718	2,760	1,563	7	1,250	5
Western Europe	196	269	203	1	371	2
Eastern Europe	12,048	12,835	16,219	73	17,501	74
Africa	1,082	961	790	4	861	4
Asia	219	228	269	1	345	1
Oceania	2,190	2,266	2,769	12	2,647	11
Unspecified	16	5	3	(1/)	1	(1/)
	330	352	388	2	701	3
World total	17,799	19,676	22,204	100	23,677	100

1/ Less than half of 1 percent.

U.S. exports totaled 11,489,000 metric tons in 1960-61, slightly below the 11,552,000 tons exported in 1959-60. In general, the shipments to the northern European countries declined but exports were increased to other areas. Corn shipments increased 20 percent above the previous year's shipments and totaled about 7.0 million metric tons. Increased quantities of corn were shipped to the Netherlands, Belgium, Japan, Spain, and Italy, reflecting the more favorable price for corn than for other feed grains and also some liberalization of trade restrictions.

U.S. oat and barley exports were down 34 percent and 27 percent, respectively, from a year earlier. Decreased exports to the United Kingdom, West Germany, the Netherlands, Belgium, and Poland were responsible for the decline. Feeding of local supplies of low-quality wheat to livestock and increased imports of barley from France and the USSR were major factors in this decline.

Table 9. —FEED GRAINS: World exports by principal country,
average 1950-54, annual 1956-1960

Year (beginning July 1)	United States	Canada	Australia	Argentina	Others	Total
Average:	1,000	1,000	1,000	1,000	1,000	1,000
	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>
1950-54	4,539	2,600	659	1,561	4,165	13,524
Annual:						
1956.	6,372	2,175	775	2,085	6,392	17,799
1957.	8,448	2,155	493	2,283	6,297	19,676
1958.	10,893	2,095	1,083	2,861	5,272	22,204
1959.	11,552	1,396	934	3,953	5,842	23,677
1960 <u>1/</u>	11,489	869	1,294	3,471	5,317	22,500

1/ Preliminary.

Table 10. —FEED GRAINS: U.S. exports by area of destination, 1959-60 and 1960-61

Year and destination	Corn and corn products	Oats and oat meal	Barley and malt	Grain sorghums	Total
1959-60:	1,000	1,000	1,000	1,000	1,000
	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>	<u>m.t.</u>
Western Hemisphere.	812	31	181	17	1,041
Europe	4,252	625	2,124	2,205	9,206
Africa	152	(<u>1/</u>)	34	60	246
Asia.	605	2	233	218	1,058
Oceania	1	---	---	---	1
Total	5,822	658	2,572	2,500	11,552
1960-61: <u>2/</u>					
Western Hemisphere.	1,063	38	125	54	1,280
Europe	4,771	385	1,262	1,724	8,142
Africa	172	1	71	22	266
Asia.	999	1	407	394	1,801
Oceania	---	---	---	---	---
Total	7,005	425	1,865	2,194	11,489

1/ Less than 1,000 metric tons.

2/ Preliminary, subject to revision.

U.S. shipments of grain sorghums were reduced 13 percent in 1960-61. Smaller shipments to Denmark, West Germany, and the United Kingdom were somewhat offset by increased shipments to Japan, the Netherlands, and Canada. During this period, the world price of grain sorghums was less favorable than that of corn, resulting in the shift to purchases of corn.

In addition to feed grains, in 1960-61 the United States exported 661,478 metric tons of prepared and mixed feeds as compared to 379,710 metric tons a year earlier. Exports

of dairy feeds, poultry feeds, and mixed feeds registered an increase of 10 percent, while corn and wheat feeds declined. Dairy and poultry feeds are exported primarily to Central and South American countries, while other prepared feeds are marketed mostly in Western Europe and Japan.

Developing Foreign Markets

During the past year, the groundwork was laid for a market development program for U.S. feed grains in Japan, where changing dietary habits and rising incomes are stimulating a large, fast-growing demand for livestock products. The U.S. Feed Grains Council, which cooperates with the Foreign Agricultural Service in developing and carrying out such projects abroad, using currencies accruing from sales under Title I of Public Law 480, has made an agreement with the Japan Feed Council for a joint promotional and educational program. A representative of the U.S. Feed Grains Council has been stationed in Japan to help carry out the program.

Other areas of the world with growing livestock and poultry industries are in Central and South America and Africa. Here last year, the Council and FAS studied possibilities for setting up selected programs to develop markets for U.S. feed grains. In Liberia, they talked with government officials about the possibilities offered by a Title IV, Public Law 480 long-term credit program involving imports of feed grains, including mixed feeds.



This new demonstration brooder house on the grounds of the American Farm School in Salonika, Greece, is part of the U.S. Feed Grains Council's program to promote increased use of U.S. feed grains in Greece.

In Europe, the Council and FAS conducted a series of panel discussions with trade groups to help them understand more fully U.S. trading methods and to establish rapport between the United States and consumer countries. Also, promotional exhibits, with emphasis on animal nutrition, were shown at fairs in Spain, Denmark, Austria, Switzerland, Italy, and Germany.

A continuing project of the Council is its joint program with the American Farm School in Salonika, Greece, where short courses in livestock and poultry management and nutrition are conducted. Through this project, approved stock has been introduced to participating farmers and demonstrations have been conducted on improved practices.

Through its office in Rome and its representatives in Rottendam and London, the Council continues to help solve problem situations involving U. S. feed grain sales and to provide technological consultation with mixed feed and livestock and poultry industries.

DRY EDIBLE BEANS AND PEAS

The major shifts that have occurred in world production and trade in dry edible beans and peas in recent years are continuing. These shifts are declining exports of beans from East Europe, decreasing production of peas in West Europe, expanding demand for imports of both commodities in Europe and Latin America, and sharp expansion in U. S. exports of both beans and peas.

The situation in 1961 was tempered by loss of the large Cuban market and the sizable carryover of beans and canned fresh peas in Western Europe. Short 1961 bean crops in East Europe and short bean and pea crops in some Western European countries should sharpen the demand for imports of U. S. beans and peas in 1962.

Beans

World Production 1961-62

Production of dry edible beans in 1961 in the United States and 28 reporting countries reached 101.2 million bags — up 2 percent from the 1960 level of 99.5 million bags and 37 percent above the 1950-54 average.

These totals do not include production in Communist China, the USSR, the Satellites in Eastern Europe, and nonreporting countries in Africa, for which production data are not available. If these countries could be included, total world production would probably range in the neighborhood of 130 million bags. Most of the important trading countries, however, are included.

In North America, 1961 production totaled 37.6 million bags — up 8 percent from the 1960 level of 34.8 million. This increase reflects larger U. S. and Mexican production. In the United States, production of 20 million bags was up 12 percent from 1960's harvest of 17.9 million bags. In Mexico a record production of 13.7 million bags was up 3 percent from the 13.2 million bag harvest of 1960. Production in Canada, a smaller producer, was about 800,000 bags — 32 percent larger than a year ago.

European production, with 10 countries reporting, was down 14 percent with an outturn of 14.8 million bags. The reduction was due largely to smaller crops in all major producing countries except Italy. Reductions took place in France where production in 1961 totaled 2.0 million bags — down 22 percent from 1960's 2.6-million-bag harvest. Yugoslavia's production of 3.1 million bags was 35 percent under a year ago and Spain was down about 4 percent. Greece and Portugal also had smaller crops than a year ago. Italy, the only European country to show a gain, was up 5 percent with a 4.1-million-bag harvest in 1961.

In South America, production was up 4 percent because of a larger harvest in Brazil, the world's largest bean producer. Brazil's crop is reported at 38.5 million bags — a 4 percent increase over the 1960 harvest. The Chilean crop was 1.9 million bags in 1961, down slightly from a year ago. Among the smaller producers, Colombia harvested 970,000 bags

Table 11. —DRY EDIBLE BEANS: Acreage and production by area in reporting countries, average 1950-54, annual 1959-61

Area	Acreage				Production			
	Average 1950-54	1959	1960	1961	Average 1950-54	1959	1960	1961
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bags ^{1/}	1,000 bags ^{1/}	1,000 bags ^{1/}	1,000 bags ^{1/}
North America.	4,512	5,397	5,523	6,012	25,723	33,699	34,795	37,641
Europe	3,359	3,094	3,070	2,978	11,831	16,167	17,082	14,778
Asia.	381	576	529	512	3,677	6,707	6,462	6,066
South America	5,242	6,166	6,744	6,756	32,547	29,676	41,142	42,722
Total	13,494	15,233	15,866	16,258	73,778	86,249	99,481	101,207

^{1/} Bags of 100 pounds.

— a 10-percent rise over last year's production — and Peru's production was down 4 percent from the 1960 crop of 820,000 bags. Argentina's crop was equal to the previous year's.

Asian production was down 6 percent from the previous year — 6.1 million bags compared to 6.5 million in 1960 — because of declines in production in Japan and Turkey, the two largest producers. Japan's harvest was 2.8 million bags, down 11 percent from a year ago.

World and U.S. Export Prospects 1961-62

Sufficient data are not available to justify a firm estimate for world exports of dry edible beans in 1961-62. The latest available figure is 9.3 million bags for calendar year 1960 when United States exports accounted for 3.1 million bags, or about one-third of all beans that moved on the world market.

In the United States, supplies of dry beans are moderately larger than last season. Larger beginning stocks and a 12-percent increase in 1961's production assure a plentiful supply of beans in 1962. Because of the bigger harvest of pea beans, supplies of white beans are materially larger than last season; other white beans will be in moderately lower supply. Colored bean supplies are moderately larger because of the large pinto harvest. Supplies of other colored beans, particularly red kidney and small reds, will be smaller than a year ago. Prospects for dollar sales appear to be about the same as a year ago, and government relief programs should absorb the remainder of the supplies.

Peas

World Production 1961-62

Production of dry edible peas in 1961 by the United States and 18 other reporting countries was 10.7 million bags — 14 percent under 1960's outturn of 12.4 million bags and about the same drop from the 1950-54 average. The reduction was due in large part to declines in crops in the Netherlands, the United Kingdom, France, and Morocco.

Among the nonreporting countries are the USSR and the Satellite countries of Eastern Europe. With their production, the total probably would range about 100 million bags. As in the case of beans, most of the important trading countries are reflected in the total of reporting countries.

Table 12. —DRY EDIBLE PEAS: Acreage and production by area in reporting countries, average 1950-54, annual 1959-61

Area	Acreage				Production			
	Average 1950-54	1959	1960	1961	Average 1950-54	1959	1960	1961
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 bags 1/	1,000 bags 1/	1,000 bags 1/	1,000 bags 1/
North America	301	377	352	396	3,589	5,195	3,837	4,065
Europe	497	402	379	345	7,017	6,520	6,618	5,078
Asia	29	35	48	45	291	417	566	536
South America	97	107	108	116	852	510	484	551
Africa	168	151	162	179	876	842	896	431
Total	1,092	1,072	1,049	1,081	12,625	13,484	12,401	10,661

1/ Bags of 100 pounds.

Production in North America was up 8 percent in 1961 because of a larger U.S. crop, 3.5 million bags. This was about 32 percent of the 19-country total. Canada's production was 567,000 bags, down 5 percent from the previous year.

In Europe, 11 countries had a combined outturn of 5.1 million bags compared to 6.6 million in 1960 — a drop of 23 percent. France, the Netherlands, and the United Kingdom had an aggregate production of almost 3 million bags — 34 percent below their 1960 combined crops. Belgium, Italy, Spain, and Yugoslavia also had reduced crops in 1961. Sweden was the only substantial pea producer in Europe to show an increased production in 1961.

In Asia, pea production was down slightly, owing to a drop in the Japanese production.

Production of 400,000 bags in Morocco was less than one-half normal production and accounted for a 52-percent drop in overall African production.

World and U.S. Export Prospects 1961-62

As in the case of beans, no accurate estimate of the world's 1961-62 exports of dry edible peas can be made at this time, because of lack of data. In calendar 1960 the latest available data indicate almost 7 million bags moved on the world market, the United States accounting for about 30 percent of the total as in the previous year. Current indications are that world exports may be less in the coming year, because the United States is in the position of being the only substantial supplier, because of greatly reduced crops in other supplying countries, and because of competition in the large U.K. importing market from large carryover stocks of 1960-crop canned fresh peas.

Developing Foreign Markets

The major work last year to expand markets for U.S. beans, peas, and lentils was done in Western Europe, which imports 50 percent of these products that move in world trade.

The early part of the year saw what could be a major step in international cooperation in marketing beans, peas, and lentils. This was an international conference on pulses — the first of its kind — held in Paris under the auspices of the French Federation of Dry Legumes. The United States was represented by a member of the bean industry.

In April-May, industry cooperators and the Foreign Agricultural Service sent a team to Western Europe to discuss quality and other marketing problems with importers in all the major markets. Then, in October-November the FAS marketing specialist investigated competitive aspects of East European beans in Western Europe, and found that short crops in East Europe and an apparent strong preference for U. S. pea beans puts the United States in a strong competitive position in Europe for both the long and short run.

An excellent opportunity to advertise U.S. beans, peas, and lentils was afforded the industries at the large Food Fair in Hamburg, Germany, in November. Here, various dishes made from these products were given out to the public, as were thousands of booklets and recipes. The German Pulse Association cooperated in this effort, and each of the U. S. industries sent a representative.

GRASS AND LEGUME SEEDS

World Production 1961

North America and Europe are the principal producing and consuming areas for grass and legume seed. For most countries, reliable data on production and carryover stocks are not available. Preliminary estimates indicate, however, that total supplies for the 1961-62 marketing year, will be about equal to those of the previous year. The 1961 production and carryover in North America are smaller than 1960, while those in Europe are probably somewhat larger.

The most recent information on the grass and legume situation in some of the most important seed producing countries follows:

Canadian production of most kinds of seeds is down considerably from that of 1960. The carryover was large, however, for such seeds as timothy, alsike, creeping red fescue, and red clover. The total grass and legume seed production in Denmark was slightly higher than that of 1960 and export availabilities are correspondingly higher. The 1961 production of alfalfa and red clover seed in France is reported far above normal. The production of crimson clover, however, is somewhat below normal. In Italy, 1961 production of alfalfa, which is Italy's most important seed crop, is reported to be about equal to the 1956-60 average. Total Italian seed production is somewhat greater than that of 1960 but is below average. Production of Kentucky bluegrass seed in the Netherlands increased considerably again in 1961. All other seed crops remained substantially unchanged. In the United States, 1961 production of legume seeds was less than in the previous year with the exception of white clover. Likewise, grass seed production was down except for bentgrass, brome grass, sundangrass, orchardgrass, and tall fescue seed.

World requirements are expected to be about the same or slightly higher than in 1960. There is, however, a significant trend toward the use of superior varieties of forage crop seeds in some of the more advanced countries.

U.S. Export Prospects 1961-62

Exports of United States grass and legume seeds are expected to drop to around 45-50 million pounds in 1961-62 as compared with the record 63 million pounds of the previous year. The reason for the expected drop is explained by the decrease in production of a number of kinds of forage crop seeds together with increased supplies in some important producing areas, such as France, Denmark, and Holland. Canada will also be an important supplier, primarily because of its large carryover of forage seeds.

The United States has been a net importer of grass and legume seed in all but 3 of the last 17 years. In 1960-61, however, it exported 3.5 million pounds more such seed than it imported. Sixty-three countries purchased grass and legume seed from the United States but 63 percent of the volume went to Europe. France was the largest customer, followed by Canada, Italy, West Germany, the Netherlands, and Japan in that order. Japanese imports from the United States were almost double those of the previous year.

The United States obtained supplies of grass and legume seed from 15 different countries in 1960-61. However, 43.9 million pounds, or 44 percent, came from Canada. Denmark and the Netherlands supplied 6.9 million and 4.1 million pounds, respectively.

Table 13.—SEEDS: U.S. exports, quantity and value, average 1946-55, annual 1957-60

Year (beginning July 1)	Grass and legume	Other field	Seed corn	Vegetable	Sugar beet	Flower	Total
QUANTITY							
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Average:							
1946-50	21,099	8,852	1/22,605	6,962	4,728	219	59,884
1951-55	25,833	16,738	19,398	3,786	652	181	66,588
Annual:							
1957.	45,927	15,846	18,592	4,996	271	214	85,846
1958.	38,603	10,112	13,014	3,943	473	319	66,464
1959.	46,242	11,986	21,204	4,270	846	254	84,802
1960.	63,119	21,625	14,163	4,643	493	327	104,370
VALUE							
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Average:							
1946-50	5,802	921	1/1,709	3,928	1,316	359	13,351
1951-55	6,930	658	1,553	2,775	120	420	12,456
Annual:							
1957.	11,372	782	1,624	3,040	56	605	17,479
1958.	9,998	749	1,697	3,230	97	650	16,421
1959.	10,483	694	1,947	3,713	169	631	17,637
1960.	12,750	1,198	1,503	4,244	114	728	20,537

1/ 3-year average.

U.S. Bureau of the Census.

Developing Foreign Markets

Export promotion activities for U.S. seeds are largely built around the exchange of seed teams with important, or potentially important, seed importing countries and the distribution of seed samples for testing in many parts of the world.

In 1961, the Foreign Agricultural Service, in cooperation with the Texas Certified Seed Producers, Inc., sent a four-man seed team to Chile, Argentina, Uruguay, and Venezuela during February and March to investigate the factors influencing exports of U.S. forage crop seeds to those countries. The team consisted of both plant scientists and practical

seedsmen. They made an evaluation of the research, forage resources, and kinds, varieties, qualities, and prices of seeds moving in the seed trade and the competitive position of U.S. seeds in each of the countries visited.

They concluded that Argentina and Uruguay offered a good potential market for certain U.S. forage seeds, and arranged for testing and evaluating a number of varieties of grasses which have not yet been grown in these countries.

In May and June, a four-man British team was brought to the United States under an FAS project agreement with the Oregon Seed Council. Team members spent 2 weeks in intensive study of methods of production, processing, certification, and marketing of grass and legume seeds in Oregon and Washington. They also observed the trials of U.K. varieties being produced at Prosser, Washington. The team's report indicates the possibility of commercialization of the multiplication of some of these varieties if subsequent trials show no significant genetic shift.

The FAS, in cooperation with the seed trade and State seed certification officials, has continued to send seed samples to many different countries for testing under their soil and climatic conditions. The Texas Certified Seed Producers alone has provided more than 3,000 pounds of forage crop seeds for testing purposes in South America during 1961-62.



North of Montevideo, Texas seedsmen study grass growing on abandoned cropland. With them are officials of FAO and the Uruguayan Government.

HOPS

World Production 1961-62

World hops production during 1961 is estimated at only 151.7 million pounds. This quantity represents a decline of 25.5 million pounds, or 14.4 percent, from the 1960 crop of 177.2 million pounds. The latter crop is 3.4 million pounds, or about 2 percent, below

the 1959 alltime record of 180.6 million pounds. The 1961 production, however, is still 7.3 million pounds, or 5.0 percent, above the 1950-54 average. Each of these crops is the total of the production in the Northern Hemisphere countries during the late months of the indicated year and in the Southern Hemisphere countries during the early months of the next year.

The total decline of 26.6 million pounds from 1960 to 1961 in 9 of the 13 countries producing over 1 million pounds each many times offsets the total increase of 1.2 million pounds in 9 of the other countries (which include one of the three represented by "Others" in the table). The output in the USSR and in Mexico and Sweden (the other two countries included in "Others") remained unchanged. The largest decline, namely 10.8 million pounds, occurred in the United States. This represents a drop of 23.4 percent. In the other 8 countries which registered declines, they ranged from about 18,000 pounds for Canada to over 5 million for the United Kingdom. The largest proportionate decrease was that of Belgium, 35.6 percent.

Table 14. —HOPS: World production, average 1950-54, annual 1959-61^{1/}

Country	Average 1950-54	1959	1960	1961 ^{2/}
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States	53,627	53,600	45,976	35,219
West Germany	28,749	39,706	35,801	32,242
United Kingdom	33,400	25,051	27,915	22,882
Czechoslovakia	10,976	13,115	16,191	13,762
USSR	3/	13,228	13,200	13,200
Yugoslavia	2,874	9,855	12,434	10,582
France	4,442	5,126	5,291	4,067
Poland	3/	3,729	3,500	4,000
Australia	3,066	3,560	3,569	3,770
Japan	1,235	2,767	3,411	3,748
Belgium	2,324	3,913	3,425	2,205
East Germany	3/	2,925	2,646	2,094
Canada	1,918	1,390	1,163	1,145
Spain	4/ 367	802	883	956
New Zealand	1,002	899	830	858
Argentina	149	369	306	331
Austria	3/	212	287	309
Republic of South Africa	296	220	200	224
Others	3/	140	144	146
Total	144,425	180,607	177,172	151,740

^{1/} The figures for each indicated year represent the production in the Northern Hemisphere countries in the late months of that year and in the Southern Hemisphere countries in the early months of the next year. ^{2/} Subject to revision. ^{3/} Not available. ^{4/} 1952-54 average.

The several years of world hops production increases which culminated in the record 1959 crop were the result mainly of concurrent hops price and acreage increases. However, the 1959 crop exceeded world requirements, and the resulting price declines continued into the middle of 1961. Information on hops acreage in the largest producing countries clearly

shows that the great drop in world production from 1960 to 1961 was largely the result of acreage cuts made by the growers in those countries in response to the declines in prices.

In the United States, the hops area dropped from 29,200 to 23,000 acres, after a decline of 3,900 acres from 1959 to 1960. Substantial acreage cuts were also made from 1960 to 1961 in West Germany, Yugoslavia, France, and Belgium. A few countries increased their hops areas, including Japan, Spain, and Austria. In the United Kingdom, the hops area remained about the same but the 1961 crop was adversely affected by unfavorable weather conditions. Unfavorable growing conditions further reduced 1961 hops production in the United States, France, and West Germany.

The combination of a prospective continuation of the general worldwide increase in beer production, a decline in hops stocks in some countries during 1960-61, and the great decrease in production from 1960 to 1961 may increase the total world import demand for hops in 1961-62 (September-August). An indication of a tightening of the world hops supply situation is the sharp increase in spot hops prices in the United States in the latter half of 1961.

U.S. Export Prospects 1961-62

As was expected, in 1960-61 total U. S. hops exports declined about a million pounds from the 1959-60 record of 18.5 million pounds. One of the reasons was a drop of 370,000 pounds in exports to Cuba. Another was the reduction of over 530,000 pounds of exports to Mexico, which followed an increase of over 1.1 million pounds to that country from 1958-59 to 1959-60. Exports to continental destinations other than the Caribbean and North America, in general, held up fairly well.

The great decline in U. S. hops production in 1961 is somewhat offset by an increase of 3.5 million pounds in beginning-of-year U. S. stocks as of September 1, 1961. U. S. hops imports increased from 4.7 million pounds in 1958-59 to 5.2 million in 1959-60 and to 5.4 million in 1960-61. Domestic hops consumption has been around 30 million pounds annually, although the 1960-61 consumption of 29.7 million pounds is the lowest on record. In view of the tightened world hops supply situation and the ready availability of U. S. hops of good quality at competitive prices, U. S. hops exports should continue at a high level in 1961-62.

Table 15. — HOPS: U. S. exports by destination, average 1946-50 and 1951-55, annual 1960 and 1961^{1/}

Destination	1946-50 average	1951-55 average	1960	1961
	Pounds	Pounds	Pounds	Pounds
North America.	4,608,701	4,835,693	5,956,847	5,425,046
Central America.	174,695	252,688	196,324	223,903
Caribbean.	417,671	328,801	548,128	164,393
South America.	4,331,555	4,300,460	6,527,186	6,408,605
Europe.	1,675,366	2,120,015	4,263,582	4,203,441
Africa.	442,002	302,938	439,164	414,389
Asia.	380,494	623,995	528,169	601,225
Oceania.	718,605	143,138	---	---
Total.	12,749,089	12,907,728	18,459,400	17,441,002

^{1/} Marketing years ending August 31.

UNITED STATES DEPARTMENT OF AGRICULTURE

WASHINGTON 25, D. C.

Official Business

POSTAGE AND FEES PAID